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RR RUEHMA RUEHPA  
DE RUEHOS #1237/01 2720632  
ZNR UUUUU ZZH  
R 290632Z SEP 06  
FM AMCONSUL LAGOS  
TO RUEHC/SECSTATE WASHDC 7966  
INFO RUEHZK/ECOWAS COLLECTIVE  
RUCPDOC/DEPT OF COMMERCE WASHDC  
RUEHC/DEPT OF LABOR WASHDC

UNCLAS SECTION 01 OF 02 LAGOS 001237

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DOL FOR SUDHA HALEY  
STATE FOR DRL GABRIELLA RIGG

E.O. 12958: N/A

TAGS: ELAB PGOV PREL NI

SUBJECT: STATE OF THE UNIONS

REF: LAGOS 874

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SUMMARY  
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**¶1.** (U) This is a summary of labor activities. On July 21 the Federal Government signed a Memorandum of Understanding (MOU) with the National Public Service Negotiating Council, agreeing to suspend and further negotiate the planned retrenchment of 33,000 civil service employees. June showcased strike threats in three different sectors: electricity, energy, and telecommunications. More than two weeks of complete disruption of landline telephone service ended when the GON released funds to pay a portion of overdue salaries for NATE members (reftel). On June 26, the National Union of Electricity Employee's called off the threat of a July 1 strike after Nigeria's privatization unit, the Bureau for Public Enterprises (BPE) met with the Power Holding Company of Nigeria (PHCN) to negotiate employment rights and compensation in the wake of the July unbundling of PHCN into 18 separate companies. Also on June 26, the oil sector senior staff union, PENGASSAN, settled a dispute with an oil service company which had threatened to erupt in sympathy strikes throughout the sector. Meanwhile, the National Union of Air Transport Employees is quiet. Nigeria's labor umbrella organization, the Nigeria Labour Congress (NLC) is preparing for upcoming elections. END SUMMARY.

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Civil Servants  
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**¶2.** (SBU) On July 21 the Federal Government signed an MOU with the National Public Service Negotiating Council (NPSNC), suspending the government's retrenchment of 33,000 civil service employees. The NPSNC, representing eight public sector unions, threatened a 160,000 civil servant-wide strike. Chris Uyot, Head of Industrial Relations at the National Labour Congress (NLC), said the unions were not against reform, but were incensed by the Federal Government's lack of dialogue with unions throughout this process, disregard for employee agreements, and perceived efforts to replace older workers with unemployed youth. The Federal Government's quick turn around, willingness to negotiate, and apology for lack of 'oversight' in consulting the unions on this issue surprised union leaders. The MOU calls for negotiations to reduce the number of retrenchments, and suspends any recently served retrenchment letters.

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Electricity Strike Narrowly Averted  
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¶3. (SBU) The Bureau of Public Enterprises (BPE) managed to unbundle the Power Holding Company of Nigeria (PHCN) into 18 separate entities on June 30 -- at least on paper -- without inciting a nation-wide power sector strike. Absent discussions regarding labor restructuring, the National Union of Electricity Employees (NUEE) had threatened to strike July ¶11. Joe Ajaero, General Secretary of the NUEE, said the union was in the dark regarding plans for PHCN's unbundling and privatization, and had no notion of their plans for restructuring of employment. However, a June 26 meeting involving the BPE, PHCN, Senior Staff Association, and the NUEE concluded while successor companies would have greater autonomy, labor restructuring would not be concluded without the NUEE's and Senior Staff Association's input.

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Energy: Labor Ministry Steps in to Thwart Oil Sector Strike  
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¶4. (SBU) The Federal Ministry of Labour and Productivity helped mediate a resolution between Franks International Oil Field Services Nigeria Limited, the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN), and the National Union of Petroleum and Natural Gas Workers (NUPENG) on June 26. A dispute regarding expatriate worker quotas had threatened to erupt in a sector-wide solidarity strike by July 31. According to Dr. Fadakinte, PENGASSAN's General Secretary, the expatriate-quota issue will be discussed,

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along with the possible reinstatement of several executive union members.

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National Union of Air Transport Employees  
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¶5. (SBU) President Itua of the National Union of Air Transport Employees (NUATE) told EconOff on June 29 while NUATE has not had problems with international airline companies, the Union has faced some resistance from Nigerian companies not wanting employees to become unionized. While Mr. Itua said a multi-sector strike might eventually be used to allow employees to unionize, he gave little indication that this was currently or seriously being discussed.

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Nigeria Labour Congress  
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¶6. (SBU) Denja Yaqub, Assistant Secretary of Organisation to the NLC, told EconOff aside from covering aforementioned union disputes, the NLC's Organisation Department continues to help casual laborers gain worker protection, permanent status when employed over three months, and the ability to unionize. Sectors commonly involved in hiring casual labor are steel engineering, chemical industries/manufacturers, construction, and some government. Yaqub commented that certain industries in Nigeria have been decimated by globalization and more competitive producers of goods such as textiles. According to the NLC's head of Industrial Relations, negotiating employment and job security in the face of privatization has proved to be a challenge for unions in affected industries. In recognition of this worker-oriented problem, the NLC backs the Global Campaign on Fair Trade and campaigns for debt cancellation. NLC contacts repeatedly mentioned their interest in USG training/visitor programs, and commented on the need for election observing/monitoring and voter education.

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COMMENT  
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¶7. (SBU) Striking appears to have become a Nigerian labor union norm for forcing negotiations and gaining results, particularly in the face of large-scale privatization of ailing State industries. While strikes can be incredibly disruptive, the Federal Government's quick turn around on the civil servant retrenchment issue may indicate its desire to improve public relations in the face of upcoming elections.

END COMMENT.

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